



INTERIM REPORT Q1

JANUARY – MARCH 2024

EXECUTIVE SUMMARY

Despite a challenging offshore wind market globally, the first quarter kicked off with great momentum for Hexicon.

Highlights of the quarter were the signing of the Sales and Purchase Agreement, acquiring 80% of the shares in the MunmuBaram project in South Korea, alongside reprioritisations in our project development.

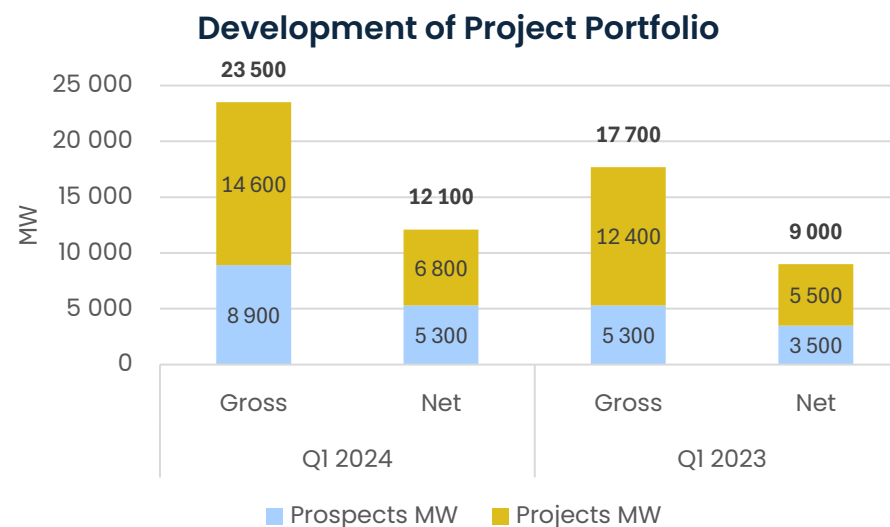
Hexicon's current focus is on achieving regulatory approval for the acquisition and establishing a new, sustainable ownership structure for the MunmuBaram project.

In addition, Hexicon has intensified efforts related to future divestments.

SUMMARY BUSINESS RESULTS

JANUARY – MARCH 2024

- Net revenue: SEK 0.5 (1.7) million
- Operating profit/loss: SEK -19.9 (-54.5) million
- Profit/loss before tax for the period: SEK -32.1 (-47.4) million
- Earnings per share basic and diluted: SEK -0.09 (-0.13)
- Cash flow from operating activities: SEK -18.1 (-38.6) million



QUARTER 1 – KEY HIGHLIGHTS

EVENTS DURING THE FIRST QUARTER

1. On February 22nd, Hexicon signed a Sales and Purchase Agreement to acquire 80% of the shares in the MunmuBaram project in South Korea, for a favourable price. The agreement is subject to regulatory approval, which will take place in 2024.
2. With the agreement, Hexicon will become the 100% owner of the MunmuBaram project. Hexicon does not intend to run the project as sole owner and has therefore, during the quarter, initiated the process to establish a new ownership structure for the project.
3. The acquisition will be financed within the framework of the loan facility with the Nuveen Infrastructure (formerly Glennmont Partners) but has resulted in reprioritisation of the pace of development in the project portfolio having to be done. Hexicon has therefore, during the quarter, reduced the pace of development in the TwinHub project in England.

EVENTS AFTER THE QUARTER

1. Hexicon has focused on the regulatory approval process in the MunmuBaram project. This is an important step towards establishing a new long-term ownership structure.
2. Hexicon has increased the activities related to future divestments of project shares in line with its overall strategy.



CEO COMMENTS

It was with full speed that Hexicon entered 2024. The quarter was marked by a lot of work to agree on the acquisition of Shell's shares in MunmuBaram and subsequent activities. Hexicon initiated the project in 2019, which since then has progressed to the late project phase. The 1,125 MW project, equivalent to a nuclear reactor in capacity, is one of the world's most mature large-scale floating wind projects, in a country with highly favourable conditions for floating wind power.

Now we are in process of establishing a new ownership structure for MunmuBaram, in parallel with securing final regulatory approvals for the ownership change. I am expecting additional announcements to be made over the next few months.

Never before has Hexicon had such a sizable and diversified project portfolio. Managing this portfolio entails significant responsibility and necessitates investments to enhance its value. To uphold the portfolio's value, we focus on cost awareness and prioritise projects that can be divested short term. This has during the quarter resulted in a reduction in the development pace of the TwinHub project in the UK. We believe this decision will not substantially impact the project's long-term value. Instead, we are seizing this opportunity to consolidate the development of our TwinWind™ technology in preparation for its full deployment in the Twinhub project.

Under the leadership of our new Chief Technology Officer (CTO), Hexicon's technical team is currently redefining the development roadmap for TwinWind™, which will enhance the route to market. Concurrently, we are collaborating with MingYang to ensure seamless integration between the wind turbines and our platform design.

The offshore wind power market remains challenging. We continue to work methodically with project maturity and towards divestments of selected projects. As I have mentioned before, the timing as well as finding the right investors are equally important.

In the immediate future, our focus will be on obtaining regulatory approval for the MunmuBaram project and concurrently establishing a new ownership structure. Due to ongoing discussions related to the ownership transition of MunmuBaram, we have had to suspend the valuation process of our project portfolio.

Despite a tougher market situation, my team and I remain focused on project divestments. I firmly believe that in the long term, our diversified portfolio and exciting new projects will strengthen our market position.

Marcus Thor, CEO



BUSINESS DESCRIPTION AND STRATEGY

Hexicon is a pioneer and developer of floating offshore wind power. The company originates early-stage development projects with the potential to deliver good risk-adjusted returns, leading the development process during the initial years while gradually divesting ownership stakes before projects enter the final investment phase which is more capital-intensive. Hexicon has an established framework with clear investment and divestment decision criteria. The established portfolio currently consists of approximately 15 GW gross, in close partnership with strategically selected joint venture partners. The portfolio is well diversified, with major projects underway in Sweden, Italy, and South Korea.

BUSINESS PROCESS



Hexicon's Project Stages and the number of projects in each stage.

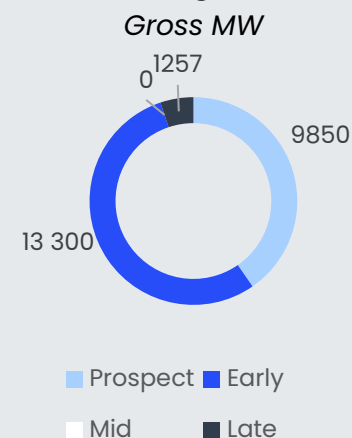


1) FID Formal Investment Decision

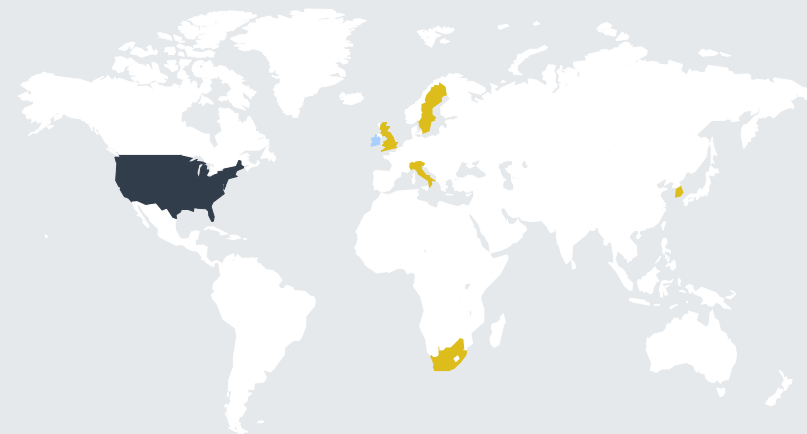
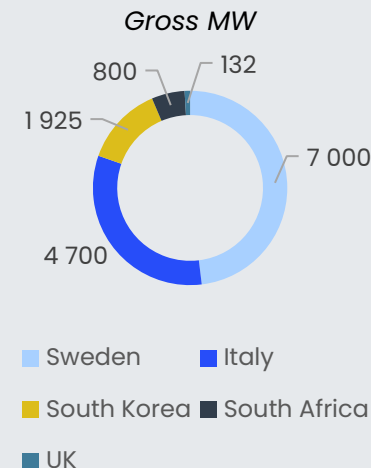
PORTFOLIO OVERVIEW AND KPI'S

Country	Project	Gross MW	Net MW
Active project portfolio			
Sweden	Mareld	2 500	1 250
Sweden	Dyning	2 500	1 250
Sweden	Cirrus	2 000	1 000
South Korea	MunmuBaram	1 125	304
South Korea	Pohang 2&3	800	232
Italy	Sicily South	1 150	575
Italy	Sardinia NW	1 300	650
Italy	Sardinia S 1	1 550	775
Italy	Sardinia S 2	700	350
South Africa	Gagasi	800	400
UK	Pentland	100	10
UK	TwinHub	32	32
Total		14 557	6 848
Prospect portfolio			
Sweden	Kultje	2 000	1 000
South Korea	Pohang 4&5	800	232
Italy	Puglia 1	1 950	975
Italy	Puglia 2	1 150	575
Italy	Sardinia NE	1 950	975
Ireland	Donegal MR	2 000	1 000
Total		9 850	4 757

Project portfolio - Stages



Project portfolio - Countries



● ACTIVE PROJECTS ● PROSPECTS ● PRESENCE

HEXICON'S TOTAL PROJECT OWNERSHIP:

54%

TECHNOLOGY ADVANCEMENTS

Hexicon will test its TwinWind™ technology, in full scale, in the 32 MW TwinHub project, planned off the coast of Cornwall in the southwest of the UK.

In 2022 the project won, as the first floating offshore wind project in the UK, a CfD-contract (Contract for Difference) which gives 15 years of subsidised electricity price of 87.3 GBP/MWh in 2012 prices (approximately 121 GBP/MWh in today's prices) indexed with consumer price index.

Despite a temporary lower pace in the TwinHub project, the Hexicon technical team has made progress in the development of the TwinWind™ technology.

- During the quarter Hexicon has carried out a technology assessment for an improved and updated development roadmap.
- Hexicon has continued the work for TwinHub with the suppliers LMC and MingYang in preparation for the ILA (Integrated Load Analysis).

Looking ahead, Hexicon remains committed to advancing its innovative TwinWind™ technology to lead the transition to sustainable energy solutions.

OUTLOOK 2024

Priority

- Receive regulatory approval for the change of control of the MunmuBaram project
- Establish a new ownership structure for MunmuBaram

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- Full or partial divestment of selected projects
 - Increase project maturity in selected projects for value-creation
 - Secure new additions to the project portfolio



BEYOND THE HORIZON



FOR FUTURE GENERATIONS

FINANCIAL OVERVIEW

FINANCIAL PERFORMANCE

JANUARY–MARCH

NET REVENUE AND EARNINGS

Hexicon identifies and invests in early-phase development projects, leading the development process during the initial years while gradually divesting ownership stakes before projects enter the more capital-intensive final investment phase. Hexicon is also an innovative technology developer. This generates expertise in the field that is also applied in Hexicons project development.

Net revenues amount to SEK 0.5 (1.7) million during the period and consist of performed consulting services related to ongoing development projects. No divestments of ownership stakes have occurred during the period.

The operating loss for the period amounted to SEK -19.9 (-54.5) million, which is an improvement of SEK 34.6 million compared to the same period last year. The primary reason for the improved results is that expenses in the MunmuBaram project began to be capitalised starting from Q3 2023, and the pace of development has slightly been reduced due to the upcoming structural change in ownership. The total effect from "Results from shares in associated companies" amounts to SEK 20.7 million, or equivalent to 60% of the change.

Furthermore, the results are positively influenced by the capitalisation in the wholly owned TwinHub project, which was developed at a higher rate than the same period last year. The underlying costs in terms of "Other external expenses" of SEK -12.2 (-15.7) million and "Personnel costs" of

SEK -9.8 (-14.4) million have simultaneously decreased due to reduced exposure to the US and Iberian markets.

Financial expenses for the period totalled SEK -12.3 million, compared to SEK 7.1 million in the same period last year, reflecting a change of SEK 19.4 million. This variation is attributable to funded investments in 2023 amounting to SEK -15.8 million and impacts from currency exchange totalling SEK -3.6 million.

The group's loss for the period amounted to SEK -32.1 (-47.3) million.

CASH FLOW, FINANCING AND INVESTMENTS

Cash flow from operating activities after change in working capital amounted to SEK -10.7 (-12.6) million. In addition to the change in operating loss, the cash flow is primarily affected by the change in "Adjustments for non-cash items" with SEK -12.4 million, driven by larger exchange losses and less negative results from associated companies.

Cash flow from investment activities amounted to SEK -96.6 (-3.0) million. The investments for the period primarily consist of the acquisition of shares in MunmuBaram. Other investments are related to ongoing project and technology development.

Cash flow from financing activities amounted to SEK 146.8 (-0.6) million, as the firm has continued to utilise the available debt facilities entered into during the summer of 2023 according to plan.

The group's cash flow for the period amounted to SEK 30.0 (-42.1) million.

BALANCE SHEET

The group's total assets at the end of the reporting period amounted to SEK 635.6 (376.5) million.

Intangible assets per March 31 were SEK 175.4 (132.7) million. The increase is mainly due to investments in the British TwinHub project.

The participation in associated companies per March 31 was SEK 147.1 (114.4) million. The increase in participation in associated companies is mainly driven by capital injections in the associated companies developing the projects.

Other current assets per March 31 amount to SEK 107.5 (19.3) million. The increase relates to the share purchase of MunmuBaram.

The cash balance as of March 31 amounted to SEK 151.6 (44.5) million.

Equity was SEK -33.4 (146.4) million. The equity/asset ratio was -5 (39)%, which is a consequence of the prudent accounting policy to not capitalise early project development costs. The share capital in the parent company remains intact at SEK 203.5 (252.9) million.

Current and non-current interest-bearing liabilities have increased related to the debt facilities entered into during the summer of 2023. The revolving credit facility is classified as current and the Nuveen (formerly Glennmont) facility is classified as partly current and non-current based on expected cash flow and valued according to effective rate methodology.

Parent company

The parent company's net revenue during the fourth quarter amounted to SEK 5.6 (2.4) million and the result for the first quarter was SEK -17.6 (-6.1) million.

The cash balance per March 31 amounted to SEK 19.8 (42.2) million. The total assets at the same date amounted to SEK 364.8 (389.1) million.

OTHER FINANCIAL INFORMATION

ORGANISATION

The group had 27 (34) employees at the end of the reporting period.

SIGNIFICANT EVENTS IN THE REPORTING PERIOD

Hexicon Entered into a Sales and Purchase agreement to take over the remaining 80 % of the shares in the MunmuBaram project.

HEXICON GROUP

The associated company Freja Grid AB, and the subsidiary MunmuBaram Holding AB were opened during the period.

Hexicon AB is the parent company, and the following subsidiaries are fully consolidated in the group accounts, Sweden: Hexicon Holding AB, Freia Offshore AB, MunmuBaram Holding AB, USA: Hexicon USA LLC, Hexicon North America LLC, UK: TwinHub Ltd, Wave Hub Ltd, Hexicon Developments UK Ltd, Highland Floating Winds Ltd, Norway: TwinWay AS, Spain: Hexicon Renewable Energy Spain SL, Portugal: Hexicon Portugal Lda.

Profit shares from the following joint ventures and associated companies are recognised in the group's income statement, South Korea: Hexicon Korea, Co., Ltd., EWS Co., Ltd, MunmuBaram, Co., Ltd, Mauritius: Hexagon Ocean Energies Ltd., Sweden: Freja Offshore AB, Mareld Green Energy AB, Passad Green Energy AB, Dyrning Green Energy AB, Freja Grid AB, Offshore Access Sweden AB Italy: AvenHexicon SRL, South Africa: GenesisHexicon Pty, Greece: Hexicon Power S.A, UK: Wave Hub Grid Connection Ltd.

As a part of the Nuveen transaction the shares in Hexicon Holding AB, which owns the project companies for MunmuBaram, Freja Offshore, TwinHub, and

AvenHexicon, are pledged as security for the Nuveen development loan facility. Similarly, the patents held by Freia Offshore AB are pledged as security for the revolving credit facility.

RISKS AND UNCERTAINTY FACTORS

The company's platform will be tested. There are risks related to the development pace and competitiveness of the technology. There are also risks connected to the company's dependence on key employees and partnerships.

The Swedish Patent and Registration Office (PRV) rejected the objection from Enerocean S.L. regarding the patent relevant to the company's TwinWind™ design in May 2023. In August 2023, an appeal was filed to the Swedish Patent and Market Court (PMD).

The MunmuBaram project and acquisition needs to be approved by the Ministry of Trade, industry and Energy (MOTIE) and risks losing important licenses if not approved.

Lastly, as the company is not yet profitable, it is dependent on external financing, a dependency that increases with the higher level of activity across many markets. The extrapolation of current spending levels shows that further funding will be required in the foreseeable future. The management has analysed the company's financial situation and made the assessment that sufficient financing can be obtained to ensure continued operation for the next 12 months.

RELATED PARTY TRANSACTIONS

One member of the management team left their permanent position and entered into a consultancy agreement in Q4 2023. The expense in the quarter Q1 2024 is SEK 1.0(0) million.

In an associated company in the group, a board member has also received remuneration for other assignments of SEK 0.5 (0) million

PARENT COMPANY

Significant events in the parent company during the period are the same as for the group. The risks and uncertainty factors are the same in the parent company as for the group.

For further information, please contact:
The Communications Department,
communications@hexicongroup.com.

GROUP INCOME STATEMENT IN SUMMARY

MSEK	Note	2024	2023	2023
		Jan-Mar	Jan-Mar	Jan-Dec
Net revenue	4	0.5	1.7	5.7
Other operating income		1.5	1.1	4.4
Capitalised development	5	9.4	2.6	29.2
Raw materials and consumables		0,0	0.0	0.0
Other external expenses		-12.2	-15.7	-65.1
Personnel costs		-9.8	-14.4	-50.4
Depreciation/amortisation and impairments	7	-3.6	-3.8	-20.4
Other operating expenses		-0.4	-0.1	-1.1
Result from shares in associated companies		-5.3	-26.0	-82.7
Operating profit/(loss)		-19.9	-54.5	-180.3
Net financial income/(expenses)		-12.3	7.1	-7.6
Profit/(loss) before tax		-32.1	-47.4	-187.9
Tax		0.1	0.1	0.4
Profit/(loss) for the period		-32.1	-47.3	-187.5
Profit/ (loss) for the period attributable to:				
Equity holder of the parent company		-32.1	-47.2	-187.3
Non-controlling interests		0.0	-0.1	-0.2

GROUP STATEMENT OF COMPREHENSIVE INCOME

	2024	2023	2023
MSEK	Jan-Mar	Jan-Mar	Jan-Dec
Profit/(loss) for the period	-32.1	-47.3	-187.5
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	-2.5	0.6	-10.7
Sum other comprehensive income for the period	-2.5	0.6	-10.7
Total comprehensive income for the period	-34.6	-46.7	-198.2
Total comprehensive income for the period attributable to:			
Equity holder of the parent company	-34.6	-46.6	-198.0
Non-controlling interests	0.0	-0.1	-0.2
Earnings per share basic and diluted (SEK)	-0.09	-0.13	-0.51

GROUP BALANCE SHEET IN SUMMARY

MSEK	Note	2024-03-31	2023-03-31	2023-12-31
Assets				
<i>Non-current asset</i>				
Intangible assets		175.4	132.7	158.2
Plant and equipment		33.3	53.9	41.9
Right of use assets		7.3	9.9	7.5
Participations in associated companies	11	13.1	37.2	19.9
Non-current financial assets		13.3	1.7	1.8
Total non-current assets		242.5	235.5	229.3
<i>Current assets</i>				
Participations in associated companies	11	134.0	77.2	135.7
Other current assets		107.5	19.3	15.4
Cash & cash equivalent		151.6	44.5	121.2
Total current assets		393.1	141.0	272.3
Total assets		635.6	376.5	501.6

	Note	2024-03-31	2023-03-31	2023-12-31
Equity and liabilities				
Share capital		3.6	3.6	3.6
Additional paid-in capital		538.1	540.5	538.1
Reserves		-6.9	0.6	-4.4
Contingent consideration		41.0	41.0	41.0
Retained earnings including profit/(loss) for the period		-608.5	-438.7	-576.4
Equity attributable to equity holders of the parent company		-32.7	147.0	1.9
Non-controlling interest		-0.7	-0.6	-0.7
Total equity		-33.4	146.4	1.2
Non-current liabilities				
Provisions		35.4	33.5	33.2
Deferred tax liabilities		4.0	4.1	3.8
Non-current interest-bearing liabilities		198.3	2.1	73.5
Non-current lease liabilities		4.2	7.1	4.8
Other non-current liabilities		25.2	15.9	13.9
Total non-current liabilities		267.0	62.7	129.2
Current liabilities				
Current interest-bearing liabilities		358.3	68.3	306.3
Current derivative liabilities		0.0	9.6	-
Accounts payable		7.9	4.0	6.4
Other current liabilities		5.2	56.0	28.1
Accrued expenses and deferred income		30.7	29.5	30.5
Total current liabilities		402.0	167.4	371.2
Total equity and liabilities		635.6	376.5	501.6

GROUP REPORT ON CHANGES IN EQUITY IN SUMMARY

	2024	2023	2023
MSEK	Jan-Mar	Jan-Mar	Jan-Dec
Opening balance equity attributable to equity holders of the parent company	1.9	202.8	202.8
<i>Total result for the period</i>			
Income/(loss) for the period	-32.1	-47.2	-187.5
Other comprehensive income/(loss)	-2.5	-8.6	-10.7
Total comprehensive income/(loss) for the period	-34.6	-55.8	-198.2
Acquisition of minority	-	-	-2.9
Other	-	-	0.2
Closing balance equity attributable to equity holders of the parent company	-32.7	147.0	1.9
Opening balance equity attributable to non controlling interests	-0.7	-3.5	-3.5
Total comprehensive income/ (loss) for the period	0.0	-0.1	-0.2
Non-controlling interest from business	0.0	3.0	3.0
Closing balance equity attributable to non controlling interests	-0.7	-0.6	-0.7

GROUP CASH FLOW STATEMENT IN SUMMARY

	2024	2023	2023
MSEK	Jan-Mar	Jan-Mar	Jan-Dec
Operating activities			
Operating profit/(loss)	-19.9	-54.5	-180.3
Adjustment for non-cash-items	30.3	42.7	51.2
Interest received	0.0	0.0	0.4
Interest paid	-0.2	-0.0	-4.4
Income tax paid	0.4	-0.7	-0.6
Cash flow from operating activities before changes in working capital	10.7	-12.6	-133.7
Increase (-)/Decrease (+) of operating receivables	-3.0	3.4	15.8
Increase (+)/Decrease (-) of operating payables	-25.8	-29.4	-41.0
Cash flow from operating activities after changes in working capital	-18.1	-38.6	-158.9
Investment activities			
Acquisition of intangible assets	-9.3	-3.2	-28.3
Dividend from Associated companies	-	-	22.0
Other investments	-89.3	0.2	-104.1
Cash flow from investment activities	-96.6	-3.0	-110.5

	2024	2023	2023
	Jan-Mar	Jan-Mar	Jan-Dec
Financing activities			
Lending to associated companies	-4.9	-	-
Repayment of convertible loans	-	-	-88.2
Borrowings	152.4	-	394.7
Other financing items	-0.8	-0.6	-2.4
Cash flow from financing activities	146.8	-0.6	304.1
Cash flow for the period	30.0	-42.1	34.7
Cash at the beginning of the period	121.2	86.6	86.6
Exchange-rate difference in cash	0.4	-	-0.1
Cash at the end of the period	151.6	45.5	121.2

PARENT COMPANY INCOME STATEMENT IN SUMMARY

	2024	2023	2023
MSEK	Jan-Mar	Jan-Mar	Jan-Dec
Net revenue	5.6	2.4	14.6
Capitalised development	0.4	0.1	0.6
Other operating income	0.7	0.2	0.9
Other external expenses	-9.3	-8.6	-35.5
Personnel costs	-7.4	-8.5	-33.1
Depreciation/amortisation and impairments	-0.1	-0.6	-6.5
Other operating expenses	-0.3	0.0	-1.0
Operating profit/(loss)	-10.4	-14.9	-59.9
Net financial income/(expenses)	-7.2	9.0	9.9
Profit/(loss) before tax	-17.6	-5.9	-49.9
Appropriations	0.0	-0.2	12.1
Tax	0.0	0.0	0.0
Profit/(loss) for the period	-17.6	-6.1	-37.8

Total comprehensive income for the period in the parent company is the same as profit/loss for the period.

PARENT COMPANY BALANCE SHEET IN SUMMARY

MSEK	2024-03-31	2023-03-31	2023-12-31
Assets			
Non-current asset			
Intangible assets	13.0	12.1	12.6
Plant and equipment	0.6	14.7	9.0
Non-current financial assets	284.0	191.4	283.7
Total non-current assets	297.6	218.2	305.2
Current assets			
Other current assets	38.8	128.7	39.8
Cash & cash equivalent	19.8	42.2	19.8
Total current assets	59.5	170.9	59.5
Total assets	364.8	389.1	364.8

	2024-03-31	2023-03-31	2023-12-31
Equity and liabilities			
Restricted equity			
Share capital	3.6	3.6	3.6
Restricted equity for development expenses	12.6	11.9	12.4
Non-restricted equity			
Share premium reserve	538.1	538.1	538.1
Contingent consideration	41.0	41.0	41.0
Retained earnings	-374.2	-335.7	-336.1
Profit/(loss) for the period	-17.6	-6.1	37.8
Total Equity	203.5	252.9	221.1
Current liabilities			
Current interest-bearing liabilities	131.4	68.3	121.4
Current derivative liabilities	0.0	9.6	0.0
Accounts payable	2.0	0.9	1.8
Other current liabilities	1.9	41.7	2.8
Accrued expenses and deferred income	26.0	15.7	17.6
Total current liabilities	161.3	136.3	143.6
Total equity and liabilities	364.8	389.1	364.8

NOTE

NOTE 1: ACCOUNTING PRINCIPLES

This report was prepared in accordance with IAS 34 Interim Financial Reporting and in applicable parts with the Swedish Annual Accounts Act (ÅRL). The interim financial statement for the parent company has been prepared in accordance with Swedish Annual Accounts Act (ÅRL), chapter 9, Interim Financial Reporting, except for the requirement of being in Swedish. The group's and the parent company's accounting principles and basis of computations are unchanged compared to the latest annual report. The figures in all tables are rounded off.

Information applicable to IAS 34.16A§ is disclosed in all parts of the report, in addition to the financial reports and the supporting notes.

NOTE 2: ESTIMATES AND ASSUMPTIONS

The preparation of the financial reports in accordance with IFRS requires estimates and assumptions from the management that effect the accounting principles and the recorded amount of assets, liabilities, revenue, and expenses. The actual value can differ from these estimates and assumptions. The critical assessments and the cause of uncertainty in the estimates are the same as in the latest annual report.

The calculation of fair value contingent consideration related to the acquisition of the shares in the associated company MunmuBaram Co., Ltd, in 2022, was made by discounting future expected cash flows related to the contingent consideration. In addition, management has applied judgement when determining that the fair value of the contingent consideration at the date of acquiring the shares should be presented in equity and hence not be subsequently re-measured. The initial acquisition price amounts to 7.7 MUSD, of which 50% was paid at acquisition in August 2022 and the remaining 50%

was paid in August 2023. The contingent consideration relates to profit share agreement, which is valued to USD 3.9 million, SEK 41 million. The profit share agreement stipulates that, if the company sells off the 20% shares in MunmuBaram, the profit from the sale minus Hexicon's total capital investment (initial purchase price plus remaining expenditure by Hexicon) shall be distributed according to the ratio under separate profit share agreement.

In May 2023 Hexicon entered into a loan agreement with a loan framework of EUR 45 million that can be used until May 2029, to finance specified projects. Total EUR 12.6 million has been drawn in the period and accumulated all EUR 45 million has been drawn. Hexicon has the option of early repayment for a certain fee that changes over time. Hexicon has made the assessment that the right to early repayment is an embedded derivative that is closely associated with the loan agreement, and hereby reports a loan liability at amortised cost, based on expected cash flows. Expected short-term net repayments of cash flows are reported as the short-term part of long-term debt.

NOTE 3: OPERATING SEGMENT

The operating segment is reported in a corresponding method as in the internal reporting to the chief operating decision-maker (CODM). Hexicon's CEO is the CODM for the group. The company has identified an operating segment that constitutes the business. assessment is based on the basis that the business is regularly reviewed by the management to support decisions on the allocation of resources and evaluation of its result. The CODM is the function responsible for allocation of resources and evaluation of the operating segment's result.

NOTE 4: DISTRIBUTION OF REVENUE

The group generates revenue primarily through project divestments and project development services.

	2024	2023	2023
MSEK	Jan-Mars	Jan-Mars	Jan-Dec
Net revenue			
Goods	-	-	-
Services	0.5	1.7	5.7
Project rights		-	-
Total net revenue	0.5	1.7	5.7
Allocation per market			
Sweden	0.5	1.3	4.5
Rest of Europe	-	0.2	0.2
Asia	-	0.2	1.0
Allocation per point in time			
Recognised at one point in time	-	-	-
Recognised over time	0.5	1.7	5.7

NOTE 5: CAPITALISED DEVELOPMENT EXPENSES

Other external expenses amounted to SEK-12.2 (-15.7) million and personnel costs to SEK -9.8 (-14.4) million and out of these SEK 9.4 (2.6) million were capitalised development expenses during the first quarter, mainly related to the TwinHub project.

NOTE 6: FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amount is considered to be a reasonable estimate of the fair value of all financial assets and liabilities. The items that have been measured at fair value are unlisted shareholding and contingent considerations. All instruments are categorised as Level 3 in the fair value hierarchy. For the unlisted shareholding, the cost constitutes a reasonable approximation of the fair value on the balance sheet date and current inputs provided by the managing company.

The contingent consideration has been measured as the present value of the amount that the group is expected to pay in accordance with the agreement for the acquisition of Wave Hub Ltd which, as of March 31, 2024, includes a pending contingent consideration of SEK 9.8 million (GBP 1.0 million) if the project reaches Final Investment Decision (FiD). The contingent consideration will not be paid if the milestone is not reached. The opening balance 2024 of contingent considerations was SEK 11.3 million and the closing balance at the 31st of March 2024 was SEK 9.8 million (GBP 0.8 million). The change was due to currency fluctuations between SEK and GBP of SEK -1.1 million, the new estimated date of payment to June 30 2025 of SEK -0.04 million. An increase of decrease in the cost of capital of +/- 2% would have resulted in a conditional consideration of SEK 9.6 million and SEK 10.0 million respectively.

NOTE 7: DEPRECIATIONS, AMORTISATIONS AND IMPAIRMENTS

The group's depreciation/amortisation and impairments were SEK -3.6 (-3.8) million during the first quarter. The group management assesses on an ongoing basis indication of impairments and in that case conducts an impairment test.

NOTE 8: GROUP KEY PERFORMANCE INDICATORS

	2024	2023	2023
MSEK	Jan-Mar	Jan-Mar	Jan-Dec
Net revenue	0,5	1,7	5,7
Operating profit/(loss)	-19,9	-54,5	-180,3
Profit/(loss) before tax for the period	-32,1	-47,4	-187,9
Earnings per share basic and diluted (SEK)	-0,09	-0,13	-0,51
Cash flow from operating activities	-18,1	-38,6	-158,9
	2024-03-31	2023-03-31	2023-12-31
Equity at the end of the period	-33,4	146,4	1,2
Equity/asset ratio at the end of the period (%) *	-5%	39%	0%
Cash at the end of the period	151,6	44,5	121,2
* Equity / total assets at the end of the period			

NOTE 9: TAX LOSS DEDUCTIONS

There are tax loss deductions in the Swedish companies amounting to SEK 379 million. No deferred tax has been reported for these.

NOTE 10: NUMBER OF SHARES

There were 363 802 686 registered shares at the end of the period and on average during the quarter.

NOTE 11: AMENDMENT OF GROUP BALANCE SHEET

As a project developer focusing on the early stage of the development cycle Hexicon's business model is to divest the projects before reaching construction start, without intention to be a final asset holder during operation. After further analysis, although the development cycles are long for infrastructure projects, spanning many years, the view of the Hexicon is that the projects are held with the purpose to be sold within their operating cycle. To clarify this to the reader the associated companies which currently hold projects or prospects have been reclassified as current assets. The tables below show the correction amounts and figures before and after correction for the items affected. Income- and Cash flow statement are not affected.

	Before correction	Correction	After correction
MSEK	2023-03-31		2023-03-31
ASSETS			
<i>Non-current asset</i>			
Participations in associated companies	114.4	-77.2	37.2
Total non-current assets	312.7	-77.2	235.5
<i>Current assets</i>			
Participations in associated companies	-	77.2	77.2
Total current assets	63.8	77.2	141.0
TOTAL ASSETS	376.5	0.0	376.5

CLASSIFICATION OF ASSOCIATED COMPANIES

Company	Form	Country	Balance Sheet definition
Freja Offshore AB	Joint-venture	SE	current asset
Munmu Baram CO., Ltd	Associated	KR	current asset
Hexicon Power S.A	Joint-venture	GR	non-current asset
AvenHexicon S.R.L.	Joint-venture	IT	current asset
Genesis Hexicon (Ply) Ltd	Joint-venture	ZA	current asset
Hexicon Korea Co., Ltd	Associated	KR	non-current asset
EWS Co., Ltd	Associated	KR	current asset
Mareld Green Energy AB	Joint-venture	SE	current asset
Passad Green Energy AB	Joint-venture	SE	current asset
Dyning Green Energy AB	Joint-venture	SE	current asset
Freja Grid AB	Joint-venture	SE	current asset
Wavehub Grid Connection Ltd	Associated	UK	current asset
Hexagon Ocean Energies Ltd	Associated	MU	non-current asset
Offshore Access Sweden AB	Associated	SE	non-current asset

SIGNATURES

Bjarne Borg
Chairman

Mia Batljan
Board member

Mats Jansson
Board member

Lars Martinsson
Board member

Göran Öfverström
Board member

Marcus Thor
CEO

Stockholm 2024-05-29

This report includes information that Hexicon is obliged to make public according to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the CEO, at 2024-05-29 08:00 CET.

The report has not been reviewed by Hexicon's auditors.

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FINANCIAL CALENDAR

2024-05-29	Q1 2024 Report
2024-08-21	Q2 2024 Report
2024-11-20	Q3 2024 Report